

certain regulations prior to making a certain adjustment to capitation payments; requiring the Secretary, in consultation with the Maryland Insurance Commissioner, to adopt regulations that establish a certain definition and certain procedures, standards, and data collection and reporting requirements for the adjustment of capitation payments; authorizing the Secretary to modify, enhance, or replace the Value Based Purchasing Initiative in effect on a certain date, subject to certain conditions; and generally relating to the Maryland Medical Assistance Program, medical loss ratio, and quality of care.

BY repealing and reenacting, without amendments,

Article – Insurance

Section 15–605(c)(5), (c)(6), and (c)(7)

Annotated Code of Maryland

(2002 Replacement Volume and 2004 Supplement)

BY adding to

Article – Insurance

Section 15–605(c)(8)

Annotated Code of Maryland

(2002 Replacement Volume and 2004 Supplement)

BY repealing and reenacting, without amendments,

Article – Health – General

Section 2–207

Annotated Code of Maryland

(2000 Replacement Volume and 2004 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Insurance

15–605.

(c) (5) The Secretary of Health and Mental Hygiene, in consultation with the Commissioner and in accordance with their memorandum of understanding, may adjust capitation payments for a managed care organization or for the Maryland Medical Assistance Program of a managed care organization that is a certified health maintenance organization:

- (i) if the loss ratio is less than 80% during calendar year 1997; and
- (ii) during each subsequent calendar year if the loss ratio is less than 85%.

(6) A loss ratio reported under paragraph (5) of this subsection shall be calculated separately and may not be part of another loss ratio reported under this section.